



SCHOOL OF FORESTRY AND WILDLIFE SCIENCES



18 September 2007

Mr. Onis "Trey" Glenn, III
Director
Alabama Department of Environmental Management
1400 Coliseum Blvd. 36110-2059
Montgomery, AL 36130-1463

Dear Mr. Glenn:

I appreciate the opportunity to serve on the advisory panel to assist the Environment Management Commission (EMC) in evaluating its policy regarding the cancer risk factor used in the calculation of ADEM's surface water toxic criteria. My professional scientific expertise is in the area of economics. I teach specifically on the topic of policy responses to perceived environmental risk factors. I closely read the economic impact statements provided by ALFA, Alabama Power, and the Alabama Coal Association, and discussed the proposed standard revision with a representative from the Alabama Forestry Association. I read related editorials and articles in the major state newspapers with much professional interest.

Let me begin by indicating that I am not particularly swayed by arguments about jumping on a purported bandwagon. Bandwagons indeed may be worthwhile to hop on, but that is not necessarily the case in every instance. By itself, the mere fact that other people are observed to engage in an action is not sufficient to justify our participation. Put differently, if 100 million people do a foolish thing, it still is a foolish thing. I do not feel compelled to follow suit. So the fact that Alabama's cancer risk level used in the equation to calculate surface water quality criteria for carcinogens is nominally higher than the level used by certain other states does not, by itself, mean much in terms of bringing scientific objectivity to bear on policy decision-making.

As was pointed out by Willard Bowers of Alabama Power, a more objective and, therefore in my opinion, more scientifically compelling comparison of Alabama against other states would focus on the actual numeric criteria for an identified suite of carcinogens. However, even this approach may not be fully satisfactory from a policy-making perspective because, in the final analysis, the citizens of Alabama may simply not care what the citizens of other states are doing in this regard. Fundamentally, we are left to consider the question of

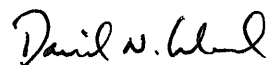
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whether the expected social benefits of making the change to a lower cancer risk factor outweigh the costs of doing so.

Neither the expected social benefits or expected costs (in the aggregate) have been quantified with any precision, at least that I am aware of. With regard to possible benefits, as I understood the discussion at our meeting in August, pinning down a single factor as the determining cause of a specific number of additional cancer deaths or cases per year is extremely problematic, given the multitude of contributory factors. But perhaps this can be done in a manner that satisfies the EMC; I certainly am not able to do so. With regard to possible costs, of the potentially affected economic interest groups that responded to your letter, only Alabama Power provided any specific estimates of the likely economic cost of compliance with the proposed lower risk standard. In part, the absence of specific cost estimates may reflect the short period of time available to respond to your request for information.

In summary, at this point in time I am not aware of scientific evidence that the expected benefits from adoption of the proposed lower risk factor exceeds the expected costs. In the absence of such evidence, there would be no compelling economics-based reason to recommend revising our current risk factor. However, since this is an issue that involves both public health and economic considerations, the EMC might wish to defer a final decision until a more conclusive scientific analysis of the costs and benefits can be developed. Such analysis may be costly in terms of time and money, but may produce a policy recommendation that is considerably more informed by science.

Sincerely,

A handwritten signature in black ink, appearing to read "David N. Laband". The script is cursive and fluid, with the first name "David" being more prominent than the last name "Laband".

David N. Laband
Professor of Economics and Policy